

September 20, 2011

To: Market Participants and Interested Parties

Re: **Revisions to Supplemental Reserve Technical Standards**

The AESO has posted for comment revised technical standards that apply to both load and generation resources supplying supplemental reserve. These changes are intended to allow the participation of 'aggregators' in the supplemental reserve market. The current standard requires that a supplemental reserve provider be capable of providing at least 5 MW of reserve from each facility. The 5 MW restriction remains in place, but the AESO will now allow the aggregation of multiple facilities in order to meet the 5 MW requirement.

In order to allow aggregators, the following key changes were made to the document:

- Redefined SURP (Supplemental Reserve Resource Provider) to include an aggregation of facilities rather than a single facility and altered numerous instances of text to reflect this definition.
- Eliminated the requirement to provide telemetry for breaker status (Section 2.2 (1) (b)). This removal applies to both existing facilities as well as potential aggregators. Existing providers are free to continue to provide this telemetry or not at their discretion.

Several minor changes were made to the Glossary of Terms for Technical Requirements for Ancillary Services to update outdated or missing references. The changes include:

- Updated the definition of Ancillary Services to be consistent with the current version of the Energy and Utilities Act.
- Corrected the definition of Operating Reserves to replace missing text.
- Corrected the definition of System Controller to revise an outdated reference to the Energy and Utilities Act.

For existing providers, the changes do not add new requirements or obligations and no action is required to comply with the new technical standard. The intent of these changes is only to allow the aggregation of smaller facilities to open the market to a greater number of potential providers. The changes to the standards are planned to go into effect November 1st, 2011, pending the nature of comments. Participants interested in aggregating resources to supply supplemental reserve should contact the AESO in order to qualify the resources for the market.

Participants should note that as part of the TOAD project, the AESO will be migrating the technical standards to the ISO Rules during 2012. At that time, the AESO will consult on the specific language in the standards. The AESO recognizes that the language will need to be updated but the current changes

are only for the purpose of removing a barrier to participation. The AESO is seeking comments related to these specific changes rather than on existing content. Comments should be directed to Kris Aksomitis (Kris.Aksomitis@aeso.ca) by October 7th, 2011. The clean and blackline versions of the technical standards and glossary can be found at <http://www.aeso.ca/market/14138.html> or by following AESO > Market > Market Policy Implementation > Operating Reserves Market Redesign.

Yours truly,

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cc: Miranda Keating-Erickson, Director Market Design